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2008 Nov 04 02:26 PM Fee: \$ 20.00

D208415528

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Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THE LEAST ACRES ASSET THE 30 IN September 2008 Francisco Enriquez and Wite
THIS LEASE AGREEMENT is made this 30 day of September 2008 by and between Francisco Enriquez and Wife  Ignie Martinez whose address is 3436 Farham Drive, Grand Frairie, Texas 75052-8053 as Lessor and  CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, P.O. Box 18496, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were
CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were
prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the party hereinabove named as Lessee, but all
other provisions (including the completion of blank spaces) were prepared jointly by the Lessor and Lessee.
1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called
leased premises:
15) 1 121 QUE TO DE CHASE TE D
acres of land, more or less, being <u>La2/ La2/ La2/ La2/ La2/ La2/ La2/ La2/ </u>
leased premises:    Phase TV-B
in June 16, volument# Page , of the Official Public Records, of Tayrant County, Texas; Lien
in the County of <u>Tarrant</u> State of TEXAS, containing 4/5/ gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion,
prescription of otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in
association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In
addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to
the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a
more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be
deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other ances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provision
- hereof.

  3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twenty percent (20)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be twenty percent (20)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to emphase such production at the executions wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the substances covered bereby, the royalty shall be twenty percent (20)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other extisic taxes and the costs incurred by Lessee in addivering, processing or otherwise market guels gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases between the continuing of the primary term or any time thereafter one or more wells on the leased premises or leads gooled therewith are capable of either producing joil or gas or other substances covered hereby in paying quantities or such well or wells are shut-in or production therefrom is not being gold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

  4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's reddit in the last address known to Lessee shall constitute proper payment. If the depository shou
- develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or tands pooled therewill. There shall be no covenant to full exploratory wells or any additional wells except as expressly provided berein.

  6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commonoment of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by and pooling for an oil well which is not a borizontal completion shall not exceed 800 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 800 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to endorm on any well specing of entiry pattern that may be presented or permitted by any governmental authority or, if no definition is no presented, o'd well' means a well with an initial gas-oil ratio of less than 100,000 cabic feet or more per barrel, based on 24-boar production test conducted under normal producing conditions using standard lesse separator facilities or equivalent testing equipment, and the term 'borizontal completion is means a well in which the horizontal component of the gross completion interest in the vertical component thereof. In exercising its pooling rights bereander, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or resourcing operations anywhere on an unit which includes all ow support of the lessed premises and included in the vertical component thereof. In exercising its pooling rights

- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone limes, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time threafte
- well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, provorking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or eastenents, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease receives a bone file offer which Lessor is willing to cover to receive a bone file offer which Lessor is willing to cover to receive a bone file offer which Lessor is willing to cover to receive a bone file offer which Lessor is willing to cover to receive a power of the receiver a bone file offer which Lessor is willing to cover to receive a bone file offer which Lessor is willing to cover to receive a bone file offer which Lessor is willing to cover to receive a power of the receiver a bone file offer which Lessor is willing to cover the receiver a bone file offer which Lessor is willing to cover the receiv
- when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination to remedy the breach or default and Lessee fails to do so.
- breach or default and Lessee fails to do so.
- 14. From the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

  16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

  17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first write executors, administrators, successors and assigns, whether or not this lease has been executors.	itten above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees uted by all narties hereinahove named as Lessor
LESSOR (WHETHER ONE OR MODE)	X Jamie Martinez
ACKA	IOWLEDGMENT
STATE OF TEXAS	ay of September 2008, by Francisco Enriquez and  Class of the Notary Public, State of Texas Notary's name (printed)
	Record & Return to: Chesapeake Operating, Inc. P.O. Box 18496 Oklahoma City, OK 73154  Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
STATE OF TEXAS COUNTY OF	E ACKNOWLEDGMENT
This instrument was acknowledged before me on the day a corporation, or	of, 20, byorof
	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
STATE OF TEXAS	ING INFORMATION
County of	
	_ day of o'clock
Book, Page, of the recoil	rds of this office.
	Ву
	Clerk (or Deputy)